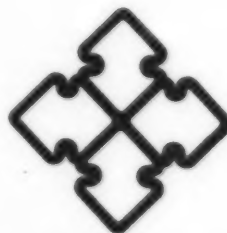


**INVISIBLE CHANGE:
WINNIPEG'S NEXT DECADE**



Social Planning Council of Winnipeg

A Publication of
The Social Planning Council
of Winnipeg, March 1991

ISBN 1-895752-03-5

PART 1: EVIDENCE OF CHANGE

There is widespread public impression of Winnipeg as an unchanging city. Winnipeg lacks the spectacular ups and downs of cities such as Toronto, Vancouver, Calgary and Edmonton. Defenders call it stable. Detractors call it stagnant. Neither point of view is correct.

THE FACT OF CHANGE

The changes taking place in Winnipeg, and which will continue to take place throughout the nineties and into the next century, are being driven by changes in the city's population. The people are changing and, as they change, so does the city. Winnipeg today is not the same city as it was 10 years ago, and 10 years from now it will not be the same city as it is today.

The population is aging. The number of older people is increasing, and will continue to increase at an even more rapid rate as the Baby Boom generation passes into middle age and then into what has traditionally been regarded as the retirement years. At the same time, the number of young people is declining.

The size of the recent immigrant community, many of whom are refugees, and the size of the visible minority groups are increasing dramatically.

The number of Aboriginal people and single parents, many of whom are locked into cycles of poverty, are growing very quickly.

Lifestyles are changing. More people are going out to work. The greatest proportion of these new workers are women, especially mothers with young children. This has fuelled a substantial net growth of real wealth in the economy, despite the very slow growth in per capita real income over the last 15 years.

The expansion of the economy, however, has occurred almost exclusively in the service industries. At the same time, the number of jobs in the secondary manufacturing sector has declined since the recession of the early 1980s.

Families are becoming smaller and more and more people are choosing to live alone. As a result, the number of dwellings has increased significantly more than the population.

This overview outlines the changes that have occurred over the past 20 years in order to identify the trends which will shape the decade to come. It surveys

the challenges these changes present and the opportunities inherent in understanding them.

PLANNING FOR CHANGE

Industry, the human service sector and governments all need to plan for the changes that will continue to occur throughout the 1990s and beyond. Strategic planning is a necessity. Piecemeal, quick fixes produce inefficiency and chaos. Creative responses to the challenge of change can only be achieved if concerned citizens and responsible private and government agencies have a co-ordinated, community-wide plan designed to manage change so that its effects do not result in conditions which are socially unacceptable.

UNDERSTANDING CHANGE AND ITS IMPLICATIONS

Understanding change is one of the keys to a healthy future for a rapidly changing community. The primary purpose of this document is to provide an understanding of that change by identifying the major demographic, social and economic trends which have occurred in Winnipeg since 1971. Its supplementary objective is to provide an information base for focused discussion on the implications of these trends for the several sectors of the Winnipeg community.

One way of thinking about the implications of these trends is to ask what other trends each of them is linked to, in a cause- or effect-manner. For example, one can ask whether and how an aging population will affect the rate of growth of the labour force or the type of demand for private goods and public services or the rate of growth of real income. Figure 1 at the back of this report describes what we believe to be the major linkages between the trends described in this report. Trends for which we do not have data are shaded. While it does not indicate the nature of the linkages - an objective we hope will be accomplished through the input of experts in the various sectors of the community - it does offer a roadmap or agenda for the deliberations of policy-makers and advisors as they plan for the future of Winnipeg and the Province. More importantly, it emphasizes the systemic and

interrelated nature of the changes which are occurring and the need to envisage the ripple effect of each trend for the rest of the system.

What follows is an overview. It is limited to the people of Winnipeg, using Manitoba-level data only where city-level data is not available. It does not extend to an analysis of institutions and their policies. Nevertheless, people create the city; as they change so too does the city. Their wants and needs determine whether roads will be built or parks, bicycle paths or bus-ways, senior citizen homes or geriatric wards. The jobs people seek and create and the skills they offer help determine the nature and vitality of the economy. How, where and with whom they choose to live contributes to the decisions about the kind of housing that is built and offered for sale and rent.

The material presented here is based upon Statistics Canada Census and other survey data specially collated/tabulated by the Social Planning Council of Winnipeg. Since its inception in 1919, the Social Planning Council has provided decision-makers with critical information on the changing social needs of the city and has been instrumental in the formation of such organizations as The Age and Opportunity Bureau, Citizenship Council of Manitoba and the Main Street Project.

PART 2: CHANGING POPULATION

INTRODUCTION

The people are changing. Winnipeggers are getting older. More have darker skins than they did 20 years ago. More voices are thick with the accents of different lands. And more, unfortunately, are single and Aboriginal mothers trapped in poverty.

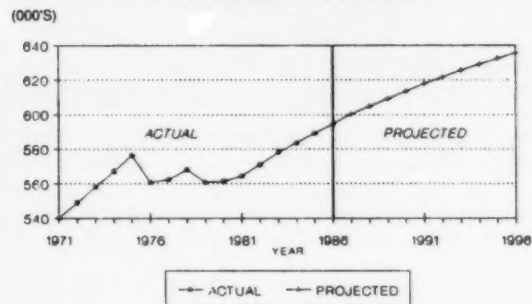
Although the population of Winnipeg is stable in terms of numbers, having experienced an average annual rate of growth of less than one per cent over the last 15 years, a simple counting of heads does not reveal the whole story. It does not reveal the growing number of older people. It does not reveal the degree to which the population is grouped into families or how many people live alone due to family breakup or the decision not to form families in the first place. It does not reveal the opportunities open to individuals within the population as levels of employment and education rise. It does not reveal anything at all about the social dynamic and economic strain brought about by such things as changes in the economy, the influx of visible minorities, and the growing number of single parents. While the numbers may be the same, the individuals who make up those numbers and how they relate to each other has changed, and will continue to change dramatically.

THE ROLE OF MIGRATION IN THE GROWTH OF WINNIPEG'S POPULATION

Between 1971 and 1986, the City of Winnipeg's population grew from 535,215 to 594,550 - for an average annual increase of about 4,000 people. Over the next 10 years, it is projected to grow by about the same number per year (see Chart 1). By far, the vast majority (86%) of the historical growth has been due to the 'natural increase' of the population (births minus deaths). Nonetheless, the rate and type of net migration has contributed significantly to both the rate at which the City's population has grown and to its ethnic/racial composition and age structure (see Chart 2).

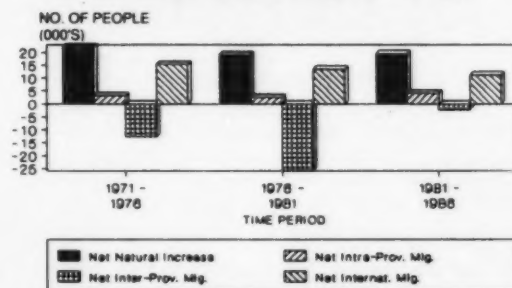
Consistently, the City has gained people from the rest of the Province at an average rate of about 700 people per year, representing 14 per cent of the total growth. Also, the City has consistently gained popu-

CHART 1
THE TOTAL POPULATION OF THE CITY
OF WINNIPEG - 1971 TO 1996



Source: Statistics Canada, Post-Censal Estimate; Manitoba Bureau of Statistics, Manitoba Region Population Projections.

CHART 2
COMPONENTS OF THE CHANGING
TOTAL POPULATION OF WINNIPEG - 1971-86



Sources: Statistics Canada, Publications #91-212, 91-211; 1976 Census Publication #92-907; 1981 Census Publication #92-828.

lation from outside Canada at an average rate of about 2,700 people per year, representing 57 per cent of the total growth.

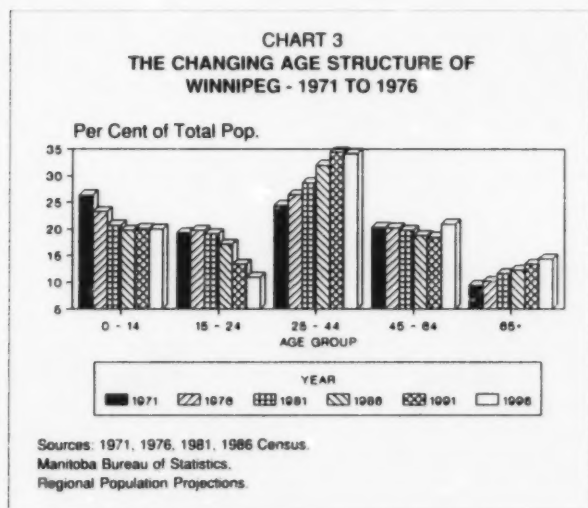
It is with net inter-provincial migration that the City has always lost population, varying widely by time period. Overall, it lost an average of 2,700 people per

year, just offsetting the net gains from international migration. However, the rate of loss has varied substantially - from only 2,400 people between 1981 and 1986 to 25,600 people between 1976 and 1981. Unfortunately, since 1986 the Province again has experienced increasing net losses to other provinces, rising from just over 3,000 in 1986 to 8,900 in 1989.

The within - Canada net migration to Winnipeg has consistently produced a net gain of young adults (15 to 24 years) and a net loss of older and younger people. The largest percentage loss has been in the 25 to 44 age group.

THE AGING POPULATION: GETTING OLDER, GETTING BETTER

The population is aging. However, this does not mean that the greatest increase is occurring in those over 65. In fact, the largest growth is occurring among those between the ages of 25 and 44 years (see Chart 3).



- The 25 to 44 age group has grown more rapidly than any other age group. In 1971, they formed 24 per cent of the population, by 1991, this is projected to climb to 34 per cent.

- The proportion of the population 65 and over is projected to rise to 14 per cent by 1996, up from 9.5 per cent in 1971.

- Among the elderly, it is the 75 and over population which is growing the most rapidly. Between 1981 and 1986, this group grew by 16 per cent, compared to a nine per cent increase among those between 65 and 74 years.

- At the same time, the number of young people between the ages of 15 and 24 is shrinking rapidly. By 1996, they will make up only 11 per cent of the population, down from 20 per cent in 1976.

THE FAMILY: HOME SWEET HOME

While still the majority pattern, the husband-wife family is in decline. Marriage rates are falling and divorce rates are rising. More people are living alone or in common-law situations. Even among husband-wife families, fewer children are being born. With more and more people living alone, and fewer families having fewer children, the average size of all households and all families is declining (see Charts 4, 5, 6).

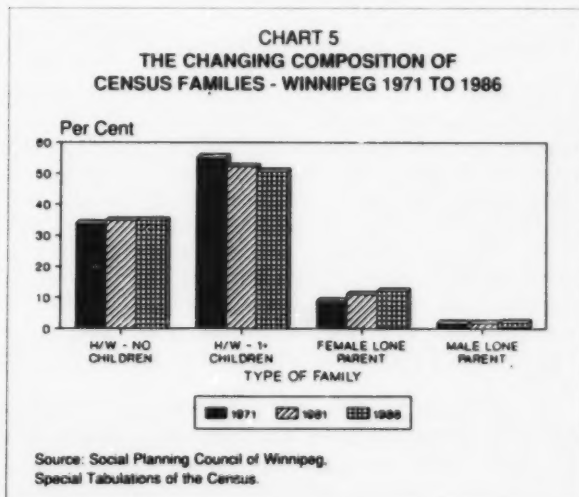
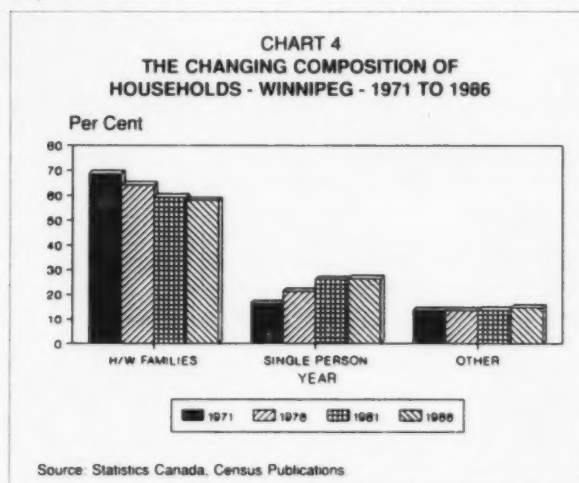
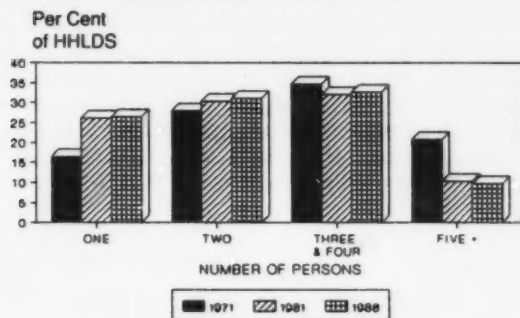


CHART 6
THE CHANGING SIZE OF WINNIPEG'S
HOUSEHOLDS - 1971 TO 1986



Source: Social Planning Council of Winnipeg.
Special Tabulations of the 1971, 1981, 1986 Census.

- Between 1971 and 1986, the provincial marriage rate (number of marriages as a per cent of all unmarried women) declined from almost 10 per cent to less than seven per cent; while the divorce rate (number of divorces per 1,000 married women) increased from 6.1 to 11.1.

- National data reveal that 21 per cent of men 18 to 29 years have had common-law relationships, compared with less than seven per cent of men 50 to 64 years of age.

- The proportion of family households has declined from 78 per cent of all households in 1971 to 69 per cent in 1986.

- Single parent families, as a per cent of all families with children, has increased from 16 per cent in 1971 to 21 per cent in 1986.

- Families of less than five people and three children have become more numerous.

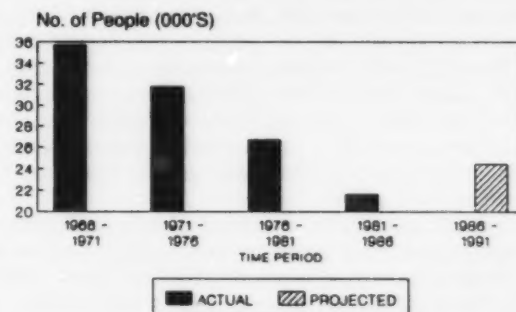
- In 1971, one in six households was occupied by a single person. By 1986, this had increased dramatically to one in three households.

- Within the inner city, one out of every two households was a single person in 1986.

GROWING IMMIGRATION: A PEOPLE RESOURCE

Since the mid 1980s, international immigration has been on the increase, after a 20-year decline (see Chart 7). This immigration has been dominated by people from the Third World, many of whom are political or economic refugees. At the same time, inter-provincial migration has produced a net loss of people in the prime working age group between 25 and 44 years of age.

CHART 7
THE LEVEL OF INTERNATIONAL
IMMIGRATION TO MANITOBA - 1966 TO 1991



Source: Statistics Canada, Publications
491-211, 491-212.

- The visible minority population, due mainly to immigration, is increasing much more rapidly than the rest of the population. The number of households headed by a visible minority person has increased by about 5,600, from 10,045 to 15,620 households. In comparison, all other households increased by only 2,560, from 196,805 to 199,365.

- The country of origin for immigrants has shifted from Europe to South-East and East Asia, with a far higher percentage (15% in 1981 to 31% in 1989) being refugees.

- In 1986, immigrants, as a whole were:

- more than twice as likely to have less than a Grade 9 education (24% vs 10%),
- less likely to have only some high school (24% vs 33%) but
- as likely to have at least a high school degree (51%).

- In 1986, recent immigrants, compared to the rest of the population were:

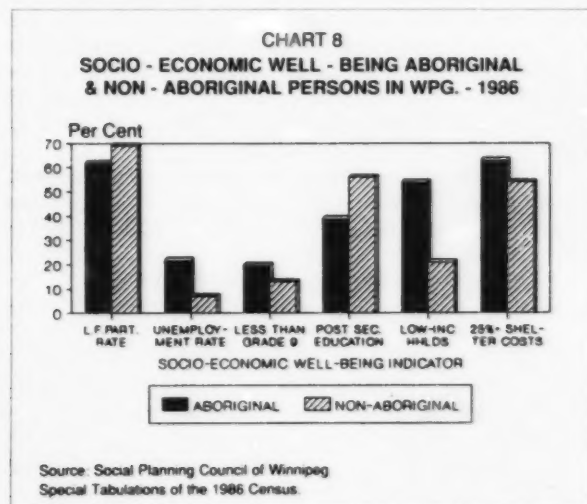
- more likely to live in the economically depressed inner city
- more likely to be of labour force age (15 to 64); and,
- more likely to be in the labour force, but also more likely to be unemployed.

ABORIGINAL PEOPLE: WHAT TO DO?

The number of Aboriginal people has increased even more rapidly than that of visible minorities. Between 1981 and 1986, the number of persons claiming an Aboriginal origin, rose by about 70 per cent from just over 16,000 to just over 27,000.

Households headed by an Aboriginal person almost tripled, growing from 4,395 to 12,160. All of this increase occurred among persons claiming multiple ethnic origins, of which Aboriginal was one. Between 1981 and 1986, there was an eight per cent decrease in the number claiming just an Aboriginal origin (from 13,695 to 12,755); while the number of those claiming an Aboriginal and non-aboriginal ethnic origin increased by 484 per cent (from 2,185 to 12,765). Unfortunately, the 1986 Census made it easier to claim multiple origins, thus making the actual increase smaller than reported.

Nonetheless, similar to international immigrants, Aboriginal people come to the city looking for a better life. However, unlike immigrants who come to Winnipeg from other countries and generally achieve a higher standard of living after about 10 years, the persistently high rates of poverty among Aboriginal households suggest that they get locked into poverty (see Chart 8).



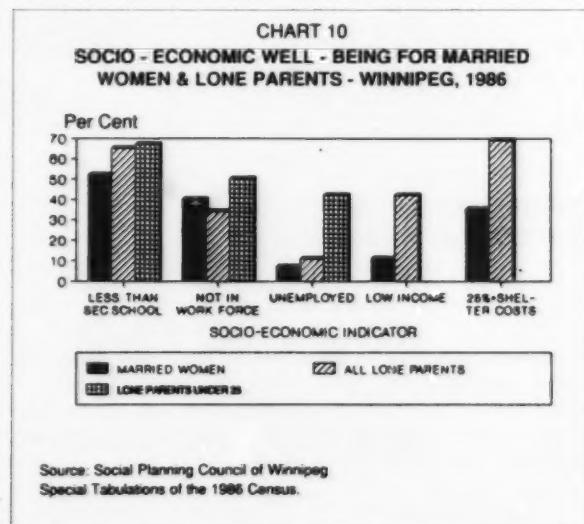
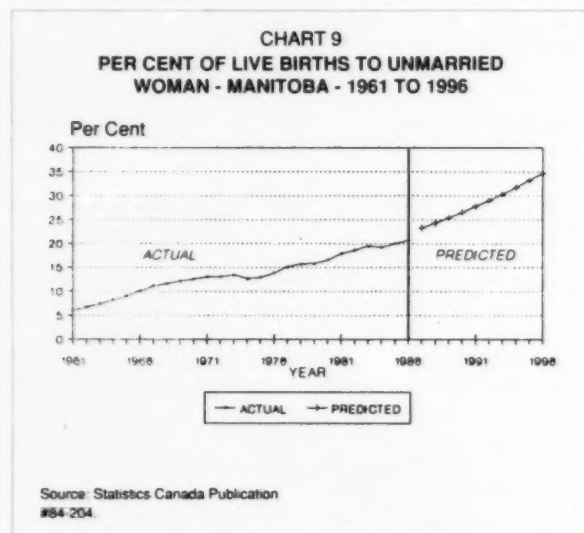
- Aboriginal people have unemployment rates three times those of the rest of the population.
- More than one out of every two Aboriginal households lives below the poverty line.
- More than three Aboriginal households out of five have difficulty meeting their shelter costs.

SINGLE PARENTS: A GROWING AT-RISK GROUP

While the number of non-aboriginal single parents under the age of 25 actually declined slightly between 1981 and 1986 from 1,280 to 1,170, the number of

young Aboriginal single parents increased substantially from 19 per cent of all young single parents to 30 per cent (300 to 500 persons). Many have low levels of education and two or more children, making the chances of their escaping poverty extremely difficult.

• Fuelled by the rapidly rising number of unmarried women having children and ballooning divorce rates, the number of single-parent families has increased by 62 per cent between 1971 and 1986, while the total number of families with children has increased by only 23 per cent (see Chart 9).

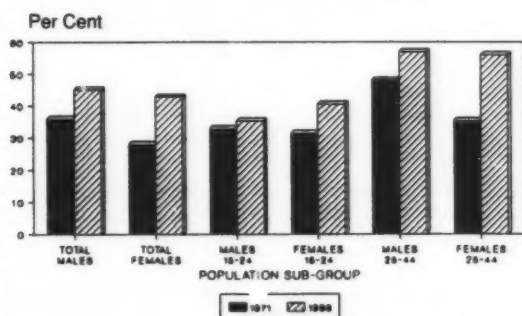


- Compared to married women, all single parents are (see Chart 10):
 - more likely to have less than a high school education (65% vs. 52%);
 - more likely to be unemployed (42% of young single parents vs. 11% of all single parents and 7% of married women);
 - more likely to be low income (42% vs. 11%)
 - more likely to experience affordability problems (69% vs. 35%).

EDUCATION: GETTING SMART

More men and women than ever before are staying in school longer and graduating from both secondary and post-secondary institutions. This is a positive

CHART 11
POPULATION WITH POST - SECONDARY
EDUCATION - WINNIPEG - 1971, 1986



Source: Social Planning Council of Winnipeg
Special Tabulations of the 1971 and 1986 Census.

trend and needs to be encouraged. Having at least a high school education lessens the risk of unemployment. The better educated tend to be less often unemployed. They also tend to have better physical health and are more likely to volunteer their time to formal organizations.

Women have made greater gains than men at the post-secondary level (see Chart 11). These higher levels of education are linked to lower fertility rates, higher levels of participation in the work force and access to a broader range of occupations. However, educational advancement of women to levels nearly equal to that of men has not resulted in an appreciable narrowing of the income differences between those in similar occupations: On average, women's full-time, full-year 1980 earnings were 44 per cent of men's within similar occupational groups. By 1985, their earnings were 50 per cent of men's, within similar occupational groups.

- Between 1971 and 1986, the proportion of the adult population with less than a Grade 9 education declined from 24 per cent to 14 per cent.

- During the same period, the proportion of the adult population with at least some university rose from 14 per cent to 23 per cent.

- The proportion of women graduating from post-secondary programs rose 53 per cent (from 28% to 43%) between 1971 and 1986, compared to a 25 per cent increase for men (36% to 45%).

- In 1971, the unemployment rate for young adults (15 to 24) with less than a high school diploma was seven percentage points higher than for those with a high school degree. By 1986, the unemployment rate was nine percentage points higher.



PART 3: CHANGING ECONOMY

A GROWING LABOUR FORCE BUT CONSTANT AND DIVERGING REAL INCOMES

Winnipeg's economy and labour force are also changing. Throughout the 1980s, the number of higher-paying manufacturing jobs declined while the number of lower-paying service industry jobs and the level of part-time employment rose. As a result, average real incomes per person grew by less than one half of one per cent per year between 1970 and 1987. However, with a 44 per cent increase in the labour force, there has been a total real income gain for all Winnipeggers of almost 3.5 per cent per annum. Nonetheless, the labour force is growing more slowly now, bringing with it a slowing in the growth of total income available to fund public services.

By 1996, it is projected that Aboriginal youth 15 to 24 years will take up about 16.5 per cent of the total young adult population and 12.5 per cent of the young adult labour force. It is the Aboriginal person who is least likely to be in the labour force (62%) and to experience unemployment rates three times the average (22% vs. 8%).

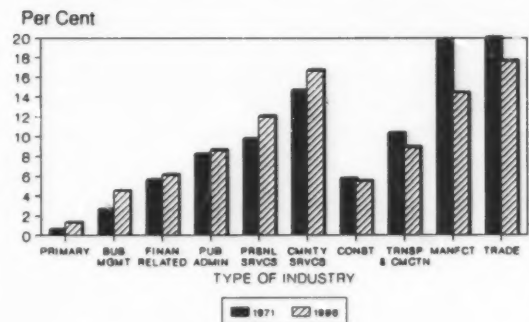
The growth of the labour force has not been uniform throughout the population. It has been fuelled almost exclusively by the increasing number of women, especially those married with young children, going out to work.

With the rising number of two-earner families and the rising number of single-parent families, there has been a growing disparity in family incomes, with sharp increases in the number of high income families and a more slowly growing number of lower income families. This polarization of the family income distribution is also reflected in the shrinking number of middle-income occupations available particularly to men and their replacement by both lower-and higher-paying jobs.

THE GROWTH OF THE SERVICE INDUSTRIES

The labour force has grown almost exclusively in the lower-paying service industries, while growth in the higher-paying secondary industries has been slow and recently has actually declined (see Chart 12).

CHART 12
EXPERIENCED LABOUR FORCE BY TYPE OF
INDUSTRY - WINNIPEG - 1971, 1986



Source: Statistics Canada.
Census Publications.

Listed below are some of the growth figures for the number of industry jobs that took place between 1971 and 1986:

- Business management up by 150 per cent;
- Accommodation and food services up by 104 per cent;
- Amusement and recreation services up by 80 per cent;
- Health and welfare services up by 80 per cent; During the same period:
- The number of manufacturing jobs grew by only five per cent;
- The proportion of manufacturing jobs dropped from 20 per cent of the experienced labour force to 14 per cent;
- Looking at the 1981 - 86 period, in which the effects of the 1982-83 recession were felt, the number of manufacturing jobs actually declined by nine per cent, while the number of service-related jobs grew by 22 per cent.

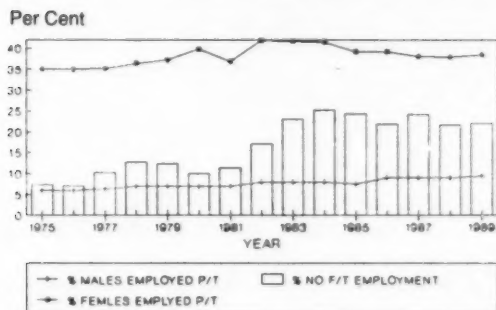
THE GROWTH OF THE PART-TIME SECTOR

Many of the jobs created by the rapidly expanding service sector are part-time. Between 1975 and 1989, the per cent of:

- Males working part-time has steadily increased from six per cent to 9.5 per cent;
- Females working part-time peaked in 1983 at 41.7 per cent and now stands at 38.5 per cent - higher than the 35 per cent in 1975.

What has increased dramatically is the per cent of part-time employees wanting but unable to find full-time employment - up from seven per cent in 1975 to 25 per cent in 1984 and still 22 per cent by 1989 (see Chart 13).

CHART 13
P/T EMPLOYMENT RATE & % NOT FINDING
F/T EMPLOYMENT - WINNIPEG, 1975 TO 1989



Source: Statistics Canada, Labour Force Annual Averages, #71-201.

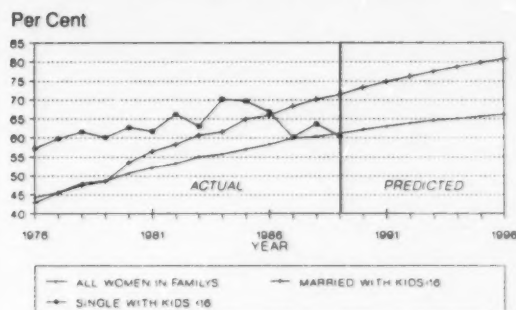
THE ENGINE OF GROWTH: WORKING MOTHERS

The single most important factor in the expansion of the work force has been the increased participation of women with young children.

- Between 1971 and 1986, Winnipeg's experienced labour force grew by 44 per cent, with women accounting for 62 per cent of that growth.
- Overall, their rate of participation in the labour force has increased from 47 per cent in 1971 to 61 per cent in 1989; while that of men declined slightly from 80 to 77 per cent over the same time period.

Province-wide, it is married women with pre-school children whose rate of participation in the labour force has increased most dramatically (see Chart 14).

CHART 14
LABOUR FORCE PARTICIPATION RATES OF
WOMEN WITH CHILDREN - MANITOBA



Source: Statistics Canada, Labour Force Annual Averages, Table F09A.

- Between 1975 and 1989, their rate of participation steadily rose by 21 percentage points (from 33% to 54%) while that of single-parent women peaked at 60 per cent in the mid 1980s and has since fallen to 49 per cent.

• Nonetheless, the rate at which married women with children have been entering the labour force has been slowing down since the mid 1980s and is predicted to level off by the mid-to-late 1990s.

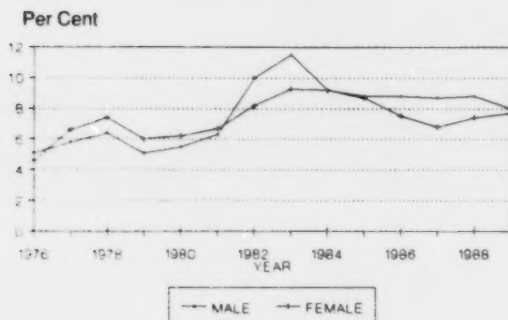
- With the labour force participation rates of males 55 to 64 years dropping substantially since 1971 (87% to 75% in 1986), there has been and will continue to be a slowing down in the rate of growth of the labour force.

THE RISING LEVEL OF UNEMPLOYMENT

Rates of unemployment for both men and women fluctuate with the health of the economy but have remained higher since the recession of 1982-83 than during the 1970s (see Chart 15).



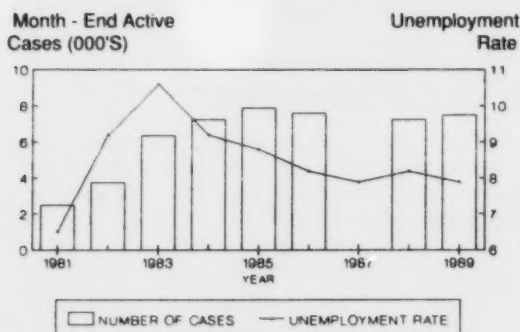
CHART 15
UNEMPLOYMENT RATES OF MEN & WOMEN
WINNIPEG - 1976 TO 1989



Source: Statistics Canada, Labour Force Annual Averages, Microfiches

- Until 1981, the unemployment rate for women was higher than for men. Since 1982, the reverse has been true.
- Those with less than a high school level of education, Aboriginal people and recent immigrants experience the highest unemployment rates. Persistently high municipal social assistance caseloads indicate a growing number of marginally employable persons (see Chart 16).

CHART 16
MUNICIPAL ASSISTANCE CASELOADS AND THE
UNEMPLOYMENT RATE FOR WPG. - 1981 TO 89

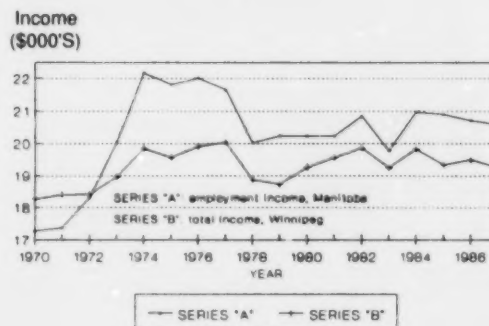


Source: City of Winnipeg, Dept of Social Services, Statistics Canada, L.F.S.

THE CHANGING REAL INCOMES OF INDIVIDUALS AND FAMILIES

Given the dramatic increase in the labour force participation of women as well as the shift to a service-based economy, rising levels of part-time work and unemployment, it is not surprising to see that per capita real incomes have increased since 1971 but by a negligible amount over the last decade (see Chart 17).

CHART 17
INDIVIDUAL REAL INCOME (1987\$)
1970 - 1986

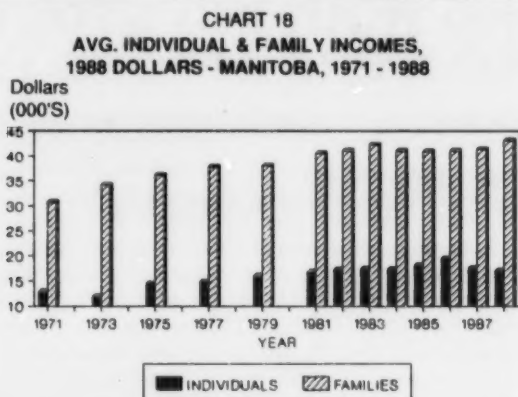


Source: Statistics Canada
Taxation Statistics

- Census figures show that the per adult total real (1985\$) incomes of Winnipeggers increased by \$2,600 between 1970 and 1980 but by only \$220 between 1980 and 1985, for an overall increase of 19 per cent over the 15 years.
- Revenue Canada's taxation statistics show a much smaller gain in real income. Per filer total real (1987\$) income rose sharply between 1970 and 1977 by about 10 per cent, peaking at just over \$20,000. Since then it has fluctuated up and down, standing at \$19,200 in 1987, for an overall increase of only five per cent between 1970 and 1987.
- Given women's growing participation in the labour force, it is not surprising to see that their real income has risen more sharply than men's income. Between 1970 and 1985, their real total income rose by 48 per cent and their real employment income rose by 40 per cent. By comparison, men's real total and employment income rose by 13 per cent and 11 per cent, respectively. Nonetheless, by 1986 women's average employment income was only 55 per cent of men's - an increase from 44 per cent in 1971.
- Because of the dramatic rise in the participation of married women in the labour force, it is also not surprising to see that the average real income of



families has grown at a faster rate than per capita real incomes. (see Chart 18).

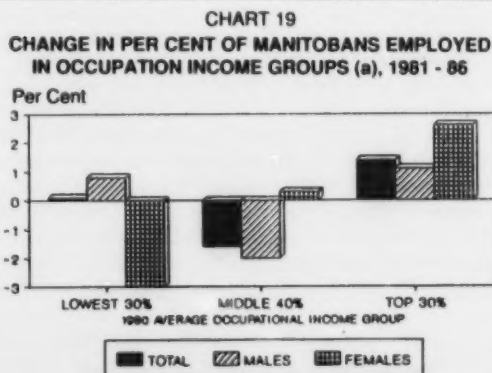


- Between 1971 and 1988, the real income of Manitoba's economic families grew by 40 per cent; whereas, for unattached individuals, their income grew by 32 per cent.

THE RICH GET RICHER: THE GROWING INCOME GAP

The growth in income is not being shared equally. The better off are becoming increasingly so while the less fortunate are becoming poorer. At least on the family and household level, incomes are polarizing towards both ends of the income scale.

- The decline of the manufacturing industries and the growth in the part-time service sector jobs has led to a growing disparity in employment income (see Chart 19).



- Between 1981 and 1986, the proportion of men employed in the middle income occupations fell by two per cent while the proportion employed in the lowest and highest paying jobs increased by one per cent each. For women, the shift was entirely toward the higher paying jobs. Overall, the total real employment income of men fell by 1.7 per cent between 1981 and 1986 while the total real employment income of women rose by 1.3 per cent.

- The rapid increase in the number of two-earner families between 1971 and 1986 has led to a rapid growth of high income families. Between 1970 and 1986, the proportion of families with incomes over \$35,000 (1980\$) rose from 12 per cent to 28 per cent (see Chart 20).

- Offsetting this, the number of single-parent families rose by 62 per cent over the same time period, ensuring that the rate of poverty increased slightly between 1971 and 1986 (see Chart 21).

CHART 20
INCOME DISTRIBUTION OF FAMILY HOUSEHOLDS
WITH INCOME - WINNIPEG, 1971 TO 1986

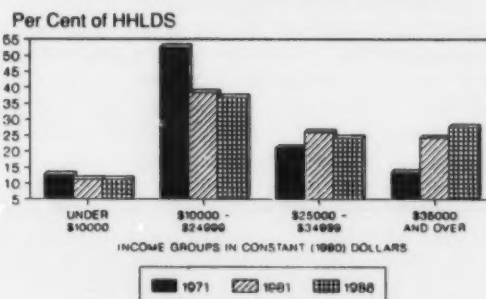
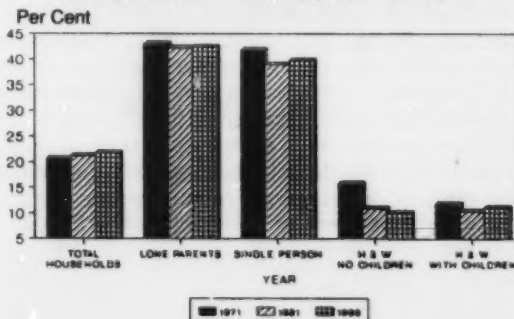


CHART 21
RATE OF HOUSEHOLD POVERTY BY TYPE
OF HOUSEHOLD - WINNIPEG, 1971 TO 1986



PART 4:

CHANGING HOUSING STOCK: CAN RENTERS AFFORD IT?

The city's housing needs are shifting towards accommodating smaller families and more and more single person households. At the same time, affordability is becoming a problem for more and more people, especially renters.

THE CHANGING SIZE AND COMPOSITION OF HOUSING STOCK

Between 1971 and 1986, the number of privately occupied dwelling units increased at a faster rate than the population (37% vs. 11%) from 166,270 to 227,145. With this rapid increase in the amount of housing, came a substantial rise in the number and proportion of lower income renter households paying in excess of 30 per cent of their income on shelter, likely caused by the changing composition of both the housing stock and the households occupying them.

- What has not changed much in the last 15 years is the home ownership rate, staying fairly constant at 59 per cent of units. Also, the proportion of the stock which is single detached has declined only slightly from 63 per cent to 58 per cent of all units.

- However, dwellings have become more spacious with the average number of rooms per dwelling increasing from 5.1 to 5.4 over the 15 years.

- At the same time, the number of single person households has increased dramatically from 16 per cent to 26 per cent of all households. Among renter households, the proportion of single persons living alone increased from 29 to 45 per cent.

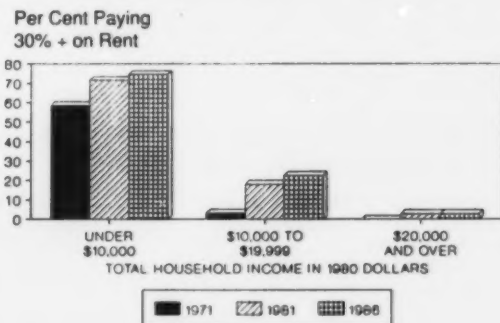
- Over the same time period, there was a loss of some 14,100 units built before 1921, dropping from 20 per cent to eight per cent of the total housing stock.

- Compared to the newer units, the older housing stock was likely less expensive to rent or own. It was also more likely to be in a poor state of repair, with 43 per cent of the single detached and 30 per cent of all other rented units requiring major repairs, compared to only eight per cent of units built since 1961.

THE GROWING AFFORDABILITY PROBLEM

While the average real (1980\$) cost of rental housing increased from \$188 in 1971 to \$299 in 1986, so too did the household incomes of those who rented them. However, when we look at the risk of paying more than 30 per cent of household income on shelter for households in the same constant dollar income bracket, we see it rise dramatically (see Chart 22).

CHART 22
RENT OUTLAY FOR RENTER HOUSEHOLDS BY
HOUSEHOLD INCOME GROUPS - WPG., 1971 - 86



Source: Social Planning Council of Winnipeg
Special Tabulations of the Census

- The proportion of renter households paying more than 30 per cent of their income on shelter increased from 29 per cent to 38 per cent. Among owners, the incidence of affordability problems actually declined slightly between 1981 and 1986 (12.5% to 11.3%).

- Only renter households with an income of under \$20,000 (1980\$) experience affordability problems. For those with a 1980 income of under \$10,000, the incidence of affordability problems increased from 59 per cent in 1971 to 75 per cent in 1986, while for those with incomes between \$10,000 and \$20,000, it rose from three per cent to 22 per cent over the same time period.

- Clearly, the cost of rented accommodation available to these low income households rose dramatically higher than their incomes in real terms, causing an increasing proportion of them to consume more of their income on shelter.

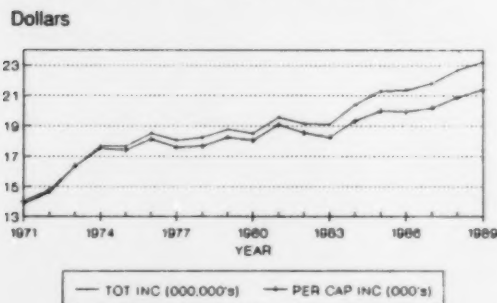
PART 5:

CHANGING DEMAND FOR PUBLIC SERVICES: HOW WILL WE AFFORD THEM?

As we have seen, per capita real income grew very rapidly during the early 1970s, subsequently falling and, by the late 1980s was still below its peak level. Total real income has grown more quickly because of the dramatic increase in the number of women in the labour force. That too is beginning to taper off, spelling a future of slowly growing total income available to governments for the funding of public services.

- The Province's Real Gross Domestic Product (GDP) grew quickly between 1971 and 1976 but remained relatively constant until 1983, after which it began increasing again (see Chart 23).

CHART 23
**MANITOBA GROSS DOMESTIC PRODUCT, TOTAL
AND PER CAPITA, 1989 DOLLARS - 1971-89**



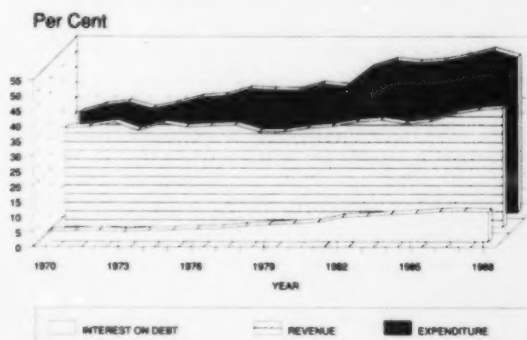
Sources: Mb. Bureau of Statistics, Mb. Statistical Review, Statistics Canada, Provincial Economic Accounts.

- Government revenues, as a per cent of the Provincial GDP rose gradually between 1961 and 1972, then levelled off and fell slightly for the next 12 years. Only after 1984 did they begin to rise steadily (see Chart 24).

- On the other hand, government expenditures, as a per cent of the Gross Domestic Product, continued to increase, jumping dramatically with the 1982-83 recession.

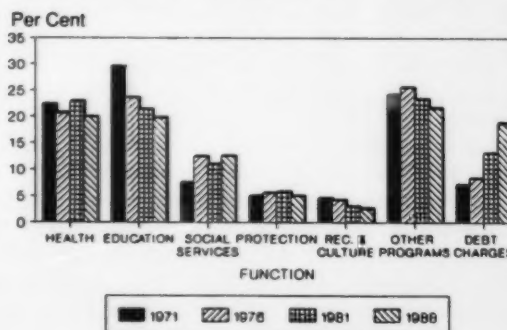
- Relative to total provincial and local government spending, expenditures on health, social services and debt charges rose faster than average, while spending on education, recreation and all other services fell (see Chart 25).

CHART 24
**GOV'T REVENUES, EXPENDITURES & INTEREST
PAYMENTS AS % OF MANITOBA G.D.P.**



Source: Statistics Canada, Cat. # 68 - 202.

CHART 25
**PERCENTAGE OF PROV & LOCAL GOV'T
EXPENDITURES BY FUNCTION - MB., 1971 - 88**

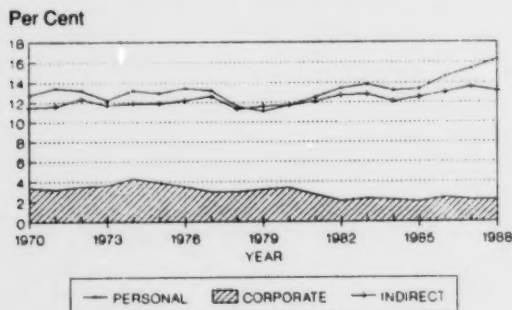


Source: Statistics Canada, Cat. # 68 - 202.

- Up until 1974, the size of the deficit remained small. Then it began to grow larger as revenues fell slightly and expenditures continued apace, climbing dramatically with the 1982-83 recession. As a result, the cost of just servicing the debt has grown to where it now accounts for 10 per cent of the Provincial GDP, some 20 per cent of the Provincial budget (see Chart 24).

- Clearly, we have chosen to pay for our public services by borrowing. Between 1971 and 1985, the level of personal and indirect taxes, expressed as a per cent of the Provincial GDP remained constant, while the level of corporate taxation fell slightly. Only since 1985, with the federal government's tax increases, has the level of personal taxation risen sharply, with corporate levels remaining fairly constant (see Chart 26).

CHART 26
TOTAL TAXES AS % OF PROVINCIAL G.D.P.
BY TYPE OF TAX - MANITOBA, 1970 - 88



Source: Statistics Canada, Cat. #13 - 213.
Tables 1, 3.



PART 6: SUMMARY AND CONCLUSIONS

In spite of Winnipeg's slow growth between 1971 and 1986, the composition of its population, economy and its housing stock has been changing. The population has been growing older, families and households have been getting smaller with more people living alone or as single parents. While still representing a small minority of the total population, the Aboriginal and other visible minority groups are growing more quickly. Levels of international in-migration are on the increase again, helping to offset the increasing loss of population to other provinces.

Women, in particular, have made substantial gains in educational attainment and their participation in the labour force has increased dramatically. As they have moved into occupations with higher earnings, their earnings have increased at a faster rate than men's. Nonetheless, they still earn substantially less than men. From a period of fast growth, the rate of increase of the labour force is beginning to slow down, signalling a more slowly growing economy. For men, the slowdown is almost entirely attributable to the marked drop in the participation of those over 55 years of age. For women, there has been a drop in the level of participation by the single parent since 1986, with a slowdown in the growth among married women with pre-school and school age children.

The economy continues to shift from secondary industry to service industry with the fastest rates of growth occurring in both the low- and higher-paying jobs. With higher levels of unemployment in the 1980s, more part-time jobs and a loss of middle income jobs, real incomes have grown very little since the mid-1970s. Also, there is evidence of a rapidly-growing group of higher-income families, and a fairly constant pool of low-income families, due to the growth of the two-earner family. For both the individual and the family, the trend is toward fewer with

middle-incomes, a slowly growing group with low-incomes and a more rapidly growing group with higher incomes.

Changes in the housing stock have put increased pressure on the cost of housing. There has been a substantial loss of the older housing stock and newer units tend to be larger than the older ones. As a result, the average real inflation-adjusted cost of housing has increased. For the low-income renter, this has resulted in substantially more of them experiencing affordability problems.

Finally, the demand for publicly-funded services, which these social and demographic changes have helped to generate, has risen faster than the real growth of the economy, while the level of revenue has not kept pace since 1974. As a result, the size of the public debt has mushroomed. Only since 1985 has the level of taxation increased and then only on personal and indirect taxes. With the economy now in recession, the challenge of managing the demand for services with a shrinking tax base is daunting indeed.

Perhaps this is the note to end on; for, we see this as one of the most critical issues which our community and country have to face and solve over the next decade: In the face of increasing demands for services which many of these long-term social and demographic trends are generating, how do we raise the public revenues both to pay for them and to begin retiring the accumulated burden of debt - a debt caused by our previous unwillingness to pay the taxes necessary to finance these services? Some would argue we reduce public services, others that we raise personal and corporate tax rates and still others that we invest in measures which will increase our productive capacity. Likely all three will be needed to effectively come to terms with this growing fiscal dilemma.

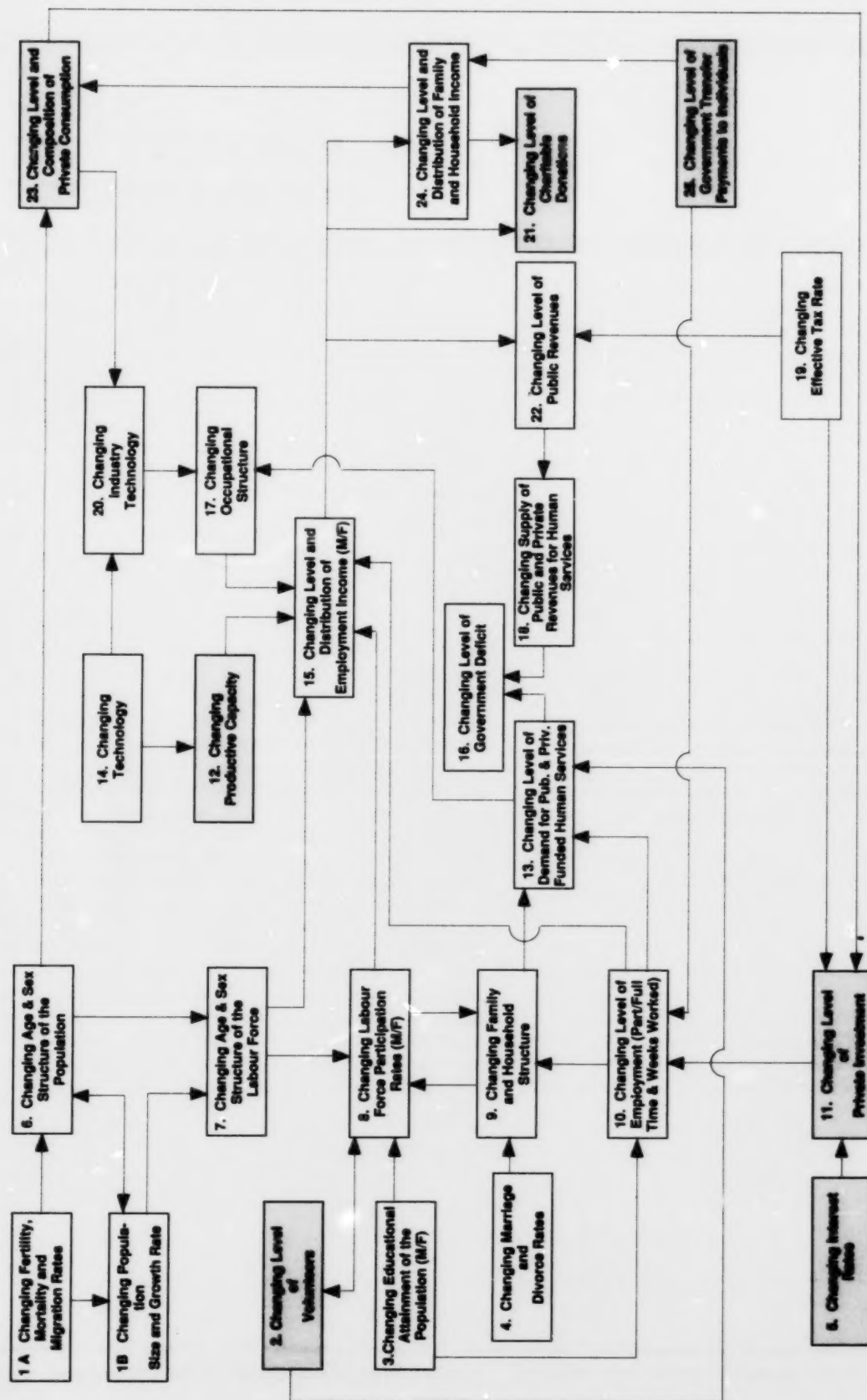


FIGURE 1: Major Social, Economic and Demographic Linkages

 DATA NOT AVAILABLE

**KEY SOURCES OF DATA
FOR THE WINNIPEG TREND STUDY**

1. Social Planning Council of Winnipeg, *Special Tabulations of the 1971, 1981 and 1986 Census.*
2. Statistics Canada, *Census Publications, Labour Force Survey Publications, Survey of Consumer Finance Publications, Provincial Economic Accounts Publications.*
3. Manitoba Bureau of Statistics, *Manitoba Regional Population Projections; Manitoba Labour Force Projections; Manitoba Statistical Review.*